



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

May 30, 2000

H.R. 8
Death Tax Elimination Act of 2000
As ordered reported by the House Committee on Ways and Means on May 25, 2000.

SUMMARY

H.R. 8 would phase out estate, gift, and generation-skipping taxes over a nine-year period beginning in fiscal year 2001. The bill would also modify generation-skipping transfer tax rules and expand the estate tax rule for conservation easements. The Joint Committee on Taxation (JCT) estimates that the bill would reduce revenues by \$8 million in fiscal year 2001, by \$28 billion over the 2001-2005 period, and by \$105 billion over the 2001-2010 period. Because the bill would affect receipts, pay-as-you-go procedures would apply.

H.R. 8 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 8 is shown in the following table.

| | By Fiscal Year, in Millions of Dollars | | | | | |
|----------------------------|--|------|--------|--------|--------|--------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
| CHANGES IN REVENUES | | | | | | |
| Estimated Revenues | 0 | -8 | -5,068 | -6,720 | -7,689 | -8,841 |

BASIS OF ESTIMATE

All estimates of H.R. 8 were provided by JCT.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays and governmental receipts that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

| | By Fiscal Year, in Millions of Dollars | | | | | | | | | | |
|---------------------|--|------|--------|--------|--------|----------------|---------|---------|---------|---------|---------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Changes in outlays | | | | | | not applicable | | | | | |
| Changes in receipts | 0 | -8 | -5,068 | -6,720 | -7,689 | -8,841 | -10,115 | -11,302 | -12,834 | -19,174 | -22,993 |

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 8 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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